

Exhibit 1 to Consent Decree

Section 932.31 of the Codified Ordinances of the City of Elyria

932.31 SANITARY SEWER AND STORM SEWER LATERAL REHABILITATION LOAN PROGRAM REGULATIONS.

(a) Purpose. The ultimate goal of the Sanitary Sewer and Storm Sewer Lateral Rehabilitation Loan Program is to reduce the quantity of storm water that reaches the sanitary sewer system by providing for the rehabilitation and reconstruction of deteriorated private sanitary sewer and storm sewer laterals. The funds available through the Program may also be used for the disconnection of roof downspouts, exterior foundation drains, yard drains, stairwell drains and any other sources of clean water (storm water inflow or ground water infiltration). This program is necessary in order to abate the public nuisances and the consequent threat to the public health, safety and welfare that they present. This Program is also necessary to comply with EPA requirements relating to the inflow and infiltration of storm water into the sanitary sewer system and to promote the effective and efficient operation of the City water pollution control plant.

In support of these goals, the City offers a zero percent loan for the cost of needed repair or replacement. In effect, a lien is filed against the property in the amount of the loan, with no interest. The property owner shall enter into an agreement with the City acknowledging that the property owner agrees to pay the costs for said installation and the actual costs paid by the City for such services and shall be placed as a lien/assessment against said property to be paid with real property estate taxes, over ten years or up to twenty years, based on income eligibility. The amount certified to the County Auditor shall be the actual costs paid by the City, plus any charges by the County Auditor to process said lien/assessment.

(b) Deferred-Payment Loans. Deferred-payment loans are available for the following work:

(1) Sanitary sewer lateral (owner's portion). Correction as determined necessary by, and with work approved by, the Engineering Division. The method of repair or replacement is determined by the owner, provided that the materials and standards followed comply with code requirements.

(2) Storm sewer lateral. New construction or repairs where the owner desires to improve the property drainage, and the City of Elyria Engineering Division determines that the owner's request will reduce inflow and/or infiltration of clean water into the sanitary sewer system.

(3) Downspouts. All building roof drains are to be disconnected from the sanitary sewer system, as ordered and approved by the City of Elyria Engineering Division. (Work within five feet of the building foundation wall is to be performed under permits issued by, and with work inspected and approved by, the City of Elyria Building Department.)

(4) Exterior foundation drains (footer tile). Modification, replacement or repair, as determined necessary by the City of Elyria Engineering Division. (Work within five feet of the building foundation wall is to be performed under permits issued by, and with work inspected and approved by, the City of Elyria Building Department.)

(5) Yard drains, stairwell drains, driveway drains and other collectors of storm water. Modification, repair or replacement, when determined necessary by the City of Elyria Engineering Division.

(c) Zero Percent Interest Loans. Zero percent interest loans are available as follows:

(1) Maximum loan available. The maximum loan available is ten thousand dollars (\$10,000) per dwelling unit, including emergency repairs and any other previous repairs paid for by the Loan Program on this specific property and on any adjoining vacant lot owned by the same property owner.

(2) First come, first served basis. Because City funds available for the Program are limited, applications will be accepted, reviewed and approved only on a first come, first served basis.

(d) Eligibility Requirements.

(1) Type of building; ownership. This program is for one, two or three-family residential properties. The loan applicant must be the owner and must reside at the affected dwelling, which must be located within the corporate boundaries of the City of Elyria. Persons with a lease-option agreement are deemed ineligible for participation. Land contract ownerships are deemed eligible to participate only if the buyer and seller involved in the sales agreement both sign the required Program agreement.

(2) Location. The property must be located within a sewer service area within the City of Elyria which has been approved for the Program by the Water Pollution Control Board as an area in need of storm water inflow and/or infiltration elimination.

(3) Loan request. The City of Elyria reserves the right to reject a loan request if there are existing excessive loans, liens or assessments against the property which would make it difficult for the City to recover any payment on the loan in the event of a transfer of ownership, or if the estimated cost of the eligible work would exceed twenty percent of the current value of the property, as given by the Lorain County appraised market value.

(e) Participation in Program.

(1) Personnel with the City of Elyria Engineering Division and the Water Pollution Control Division will conduct tests of the sewer system and on the building laterals using smoke or dye water and sewer television inspection. When the test or inspection shows that a building lateral is defective, such as to allow the inflow of storm water, or that the original construction allows clean water to be discharged into the sanitary sewer system, and when there is reason to believe that the portion that is defective is the portion that the owner is responsible for the structural repair of, a notice of violation and an order to make the correction will be sent to the property owner, by mail.

(2) Property owners desiring to participate in the Loan Program may contact the City Engineering Division. Samples of the required loan agreement, and promissory note will be mailed to the property owner, upon request. Procedures are also explained over the telephone to the owner.

(3) Property owners participating in the Program who wish to use a contractor to do the work must secure written proposals for the work from not less than two contractors. The contractors making the proposals must be licensed by the City of Elyria for the type of work to be done. Property owners who wish to do the work on their own property, rather than hiring a contractor, may do so. However, the maximum amount that will be loaned is reduced to one third the Program limit, and the funds may be used only for the rental of equipment and the purchase of new materials.

(4) The property owner shall submit copies of the required cost estimates and a statement as to which contractor will be authorized to do the work or equipment rental and new material estimate for the specified work.

(5) The Engineering Division shall review the cost estimates and either approve or reject the loan request. An owner may appeal this decision to the Safety-Service Director. When the loan request is approved, a limited abstract shall be ordered by the City to verify ownership and obtain a legal description of the property. (The cost of the limited abstract will be included in the loan amount given to the property owner.) After the loan is approved and ownership of the property verified, the loan agreement, including a promissory note, must be signed by the property owner(s) and the City's Contractual Officer. (NOTE: The loan documents must be signed within thirty days from the date that the limited abstract is received, or the loan will be disqualified.)

(6) After the loan documents have been signed, the Engineering Division will give a written notice to the owner, which states the specific amount of funds that may be paid to each contractor upon completion of the work. The letter will also instruct the participant to contact the City to have the work inspected in progress.

(7) After completion of the work, but before payment is made, the Engineering Division will make a final inspection and may re-test the lateral.

(8) After completion of all work, the contractor shall submit an invoice for payment to the owner. After approval of the invoice by the owner, said invoice shall be forwarded to the Engineering Division for payment processing. The Engineering Division will review the invoice and, if approved, forward it to the City Finance Director's office for payment.

(9) The City may file the loan at any time after it has been signed by all parties. In the event that the actual amount paid out to contractors and/or suppliers under the Program is more than the amount of the loan, the owner will receive a letter stating the revised amount due to the City.

(f) Special Considerations.

(1) Decisions regarding eligible activities will be determined on a case-by- case basis.

(2) In emergency situations, or for minor repairs costing less than two thousand dollars (\$2,000), the Engineering Division may waive the requirement that an owner must secure written proposals for the required work from not less than two contractors.

(3) What constitutes an emergency repair will be determined by the Safety- Service Director.

(g) Licensed Contractors Required; Discrimination.

(1) All contractors doing work under the Program must be licensed as required by law.

(2) The City administers all programs without regard to race, creed, color, sex, ancestry, national origin or handicap.

(Ord. 2000-69. Passed 4-17-00; Ord. 2018-183. Passed 11-19-18.)